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Mexico

Grain and Feed

Corn and Sorghum Update

2003

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Report Highlights:

Estimated MY 2002/03 production for corn and sorghum has been revised upward based on larger planted area and higher yield potential due to favorable weather. As a result, the MY 2002/03 import estimate for corn has been reduced to 5.5 MMT. However, the MY 2002/03 sorghum import estimate has remained unchanged, due to continued strong demand for sorghum.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

CORN**Production**

FAS/Mexico has raised the production estimate for Mexico's MY 2002/03 (Oct-Sep) corn crop to 18.8 MMT, due to favorable weather conditions during the 2002 spring/summer crop and an increase in planted area for the 2002/03 fall/winter. In Jalisco, the 2002 spring/summer crop output reached 3.0 MMT, 6 percent higher than the 2001 spring/summer crop, which was considered a record crop at that time. The favorable weather conditions and timely rains across the state of Jalisco's corn areas explain this increase. Average yields for 2002's spring/summer crop in Jalisco have increased to 4.626 MT/ha, an increase of approximately 7.7 percent from a year ago. Approximately 95 percent of Jalisco's crop area is non-irrigated.

According to private and official sources, Sinaloa production for the 2002/03-fall-winter corn crop has increased to 2.2 MMT, an increase of approximately 16 percent over the initial estimate, due to unexpected increases in planted area. Sinaloa planted area increased from 231,000 hectares to approximately 295,000 hectares, an increase of approximately 28 percent from the original planted estimate. Harvest started in May and will end in June. Sinaloa is the main source of commercial white corn in Mexico during the spring and summer months. At present, the average estimated yield is expected to be slightly higher than a year ago. According to official sources, the yield estimate has been monitored closely through field trips and by using better estimation methodologies. The MY 2001/02 production estimate and MY 2003/04 production forecast remain unchanged.

Trade

The MY 2002/03 imports estimate was revised downward to 5.5 MMT, because of the expected increase in production. For MY 2003/04, however, the import forecast remains unchanged at 7.0 MMT, a figure which does not include cracked corn imports. Private sources forecast that Mexico will import approximately 2.0 MMT of cracked corn in CY 2003 alone. According to the Secretariat of Economy (SE), Mexico imported a total of 5.480 MMT of corn during CY 2002, of which 3.168 MMT was under the 2002 tariff rate quota (TRQ). Available official information indicates that as of May 31, the SE had allocated 2.931 MMT for import under the TRQ for 2003. Under NAFTA, Mexico is obligated to allow duty-free access for at least 3.262 MMT of U.S. corn imports during calendar 2003.

Export estimates for MY 2001/02 have been revised upward to 158,000 MT based on World Trade Atlas data. Similarly, export estimates for MY 2002/03 and 2003/04 have been revised upward, according to industry sources.

Stocks

The ending stock estimate for MY 2002/03 has been increased to 2.835 MT because of higher-than-expected production. Also, MY 2003/04 beginning and ending stocks have been revised upward due to higher MY 2002/03 production.

SORGHUM**Production**

The production estimate for MY 2002/03 (Oct-Sep) has increased slightly to 6.1 MMT, due to larger-than-expected planted area and better weather conditions. Sorghum output for the 2003 spring/summer harvest (planted during the 2002/03 fall/winter crop) in the northeast state of Tamaulipas, for example, was increased due to larger planted area and better yields. Experts indicate that the Tamaulipas's crop was up approximately 300,000 MT from the previous estimate, an increase of 28 percent from the state's average production of 1.7 MMT. Sufficient water reservoir levels in Tamaulipas's dams such as "Marte R. Gomez", as well as timely rains have impacted sorghum yields favorably. Tamaulipas produces the largest part of Mexico's spring/summer harvest, and livestock and poultry producers in several neighboring regions are dependent upon it for feed. Following is the breakdown of Tamaulipas sorghum production for the 2003 spring/summer harvest by counties:

Forecast for Sorghum 2003 Spring/Summer Harvest by County in Tamaulipas						
County	Planted Area (1000 has)	Already Harvested (1000 has.)	Projected Production (1000 MT)	Production Harvested (1000 MT)	Projected Yield (Tons/ha)	Obtained Yield (Tons/ha)
Díaz Ordaz	140.82	29.57	341.39	62.11	2.53	2.10
Control	333.70	17.69	987.92	66.37	3.00	3.75
San Fernando	295.68	128.21	727.84	352.98	2.46	2.71
Abasolo	7.60	3.11	14.79	5.41	2.07	1.73
Victoria	4.57	0.20	16.78	0.20	3.69	1.00
González	24.72	21.65	55.17	55.15	2.62	2.54
Mante	12.98	9.34	20.82	16.49	1.72	1.76
Total	820.07	209.77	2,164.71	558.71	2.58	2.23
Source: SNIIM with data of the General Directorate of Agricultural, Forest and Fishing of Tamaulipas Government, as of June 9, 2003.						

SAGARPA officials stated that the yield estimate has been monitored closely through field trips and by using better estimation methodologies. SAGARPA also indicated that the pace of crop development has been practically on schedule in the primary producing states for the 2003 spring/summer harvest. The MY 2001/02 production estimate and the MY 2003/04 production forecast remain unchanged.

Stocks

MY 2002/03 ending stocks and MY 2003/04 beginning and ending stocks have also been revised upward, reflecting the larger MY 2002/03 sorghum crop.

PSD Table**Country****Mexico****Commodity****Corn**

(1000 HA)(1000 MT)

	2001		2002		2003	
	Revised		Estimate		Forecast	
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	10/2001		10/2002		10/2003	
Area Harvested	7780	7780	6700	7100	7600	7600
Beginning Stocks	2167	2167	2991	2885	1741	2835
Production	20400	20400	17000	18800	19000	19000
TOTAL Mkt. Yr. Imports	4076	4076	6000	5500	7000	7000
Oct-Sep Imports	4076	4076	6000	5500	7000	7000
Oct-Sep Import U.S.	4075	4075	0	5550	0	7000
TOTAL SUPPLY	26643	26643	25991	27185	27741	28835
TOTAL Mkt. Yr. Exports	52	158	50	150	50	150
Oct-Sep Exports	52	158	50	150	50	150
Feed Dom.	8400	8400	9000	9000	10000	10000
Consumption						
TOTAL Dom. Consumption	23600	23600	24200	24200	25800	25800
Ending Stocks	2991	2885	1741	2835	1891	2885
TOTAL DISTRIBUTION	26643	26643	25991	27185	27741	28835

PSD Table**Country**
Commodity**Mexico**
Sorghum

(1000 HA)(1000 MT)

	2001		2002		2003	
	Revised		Estimate		Forecast	
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	10/2001		10/2002		10/2003	
Area Harvested	1890	1890	1760	1760	1700	1700
Beginning Stocks	788	788	869	869	819	1069
Production	5900	5900	5850	6100	5600	5600
TOTAL Mkt. Yr. Imports	4831	4831	3400	3400	5000	5000
Oct-Sep Imports	4831	4831	3400	3400	5000	5000
Oct-Sep Import U.S.	4690	4690	0	3400	0	5000
TOTAL SUPPLY	11519	11519	10119	10369	11419	11669
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom.	10555	10555	9210	9210	10800	10800
Consumption						
TOTAL Dom.	10650	10650	9300	9300	10900	10900
Consumption						
Ending Stocks	869	869	819	1069	519	769
TOTAL DISTRIBUTION	11519	11519	10119	10369	11419	11669